

## Deborah.Easterling

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**From:** Jocelyn.Boyd  
**Sent:** Thursday, September 26, 2013 8:19 AM  
**To:** Deborah.Easterling  
**Subject:** FW: solar situation

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**From:** Lois Helms [<mailto:lois.j.helms@gmail.com>]

**Sent:** Wednesday, September 25, 2013 10:09 PM

**To:** Jocelyn.Boyd

**Cc:** [davido@sunstoresolar.com](mailto:davido@sunstoresolar.com); [pmlgrnlw@yahoo.com](mailto:pmlgrnlw@yahoo.com); [brian.franklin@duke-energy.com](mailto:brian.franklin@duke-energy.com); [timika.shafeek-horton@duke-energy.com](mailto:timika.shafeek-horton@duke-energy.com); [libbysmith@comcast.net](mailto:libbysmith@comcast.net); Edwards, Nanette; [shudson@regstaff.sc.go](mailto:shudson@regstaff.sc.go); [chad.burgess@scana.com](mailto:chad.burgess@scana.com); [Bholman@selcsc.org](mailto:Bholman@selcsc.org)

**Subject:** solar situation

### Current Solar Situation in SC

1. "Net Metering" is the way electricity produced by solar panels is sent through a grid to a utility company during peak sunny hours. That electricity is used to offset electricity purchased from the utility when the sun is not shining.
2. Net metering state policies are supposed to help society more easily use solar power in South Carolina. It saves money spent on conventional power. Using solar power reduces reliance on energy produced from nuclear, gas and coal-fired power plants that use non-renewable resources.
3. South Carolina should keep up with national trends that encourage use of solar and other green energy. Renewable energy experts say that South Carolina's net metering program needs updating. We have some of the nation's most restrictive controls.
  - South Carolina's current net metering program includes a cap on the amount of solar energy allowed for those who use a combination of sun power and energy from utilities — and that is beginning to limit congregations, businesses and schools.
  - South Carolina must increase the cap above 100 kilowatts for commercial systems. They also need to increase the cap for individuals, nonprofits like churches, and schools which is currently based on .2% of peak energy generated - this should be raised to at least 2%.
  - The Interstate Renewable Energy Council ranks our neighbor, North Carolina 9th in the nation for solar power due to their progressive rules. North Carolina has the capacity to produce 250 MW (megawatts) of solar energy, while South Carolina only allows 10 MW. Other states have a capacity for hundreds or thousands MW due to their less restrictive solar laws.
4. In South Carolina, an elected Public Service Commission (PSC) sets our net metering rules. The PSC, by a 2009 state agreement, is required to review South Carolina's solar net-metering rules sometime this year. They scheduled a public forum on September 12, 2013 to discuss solar rules openly and accept comments from environmental groups. The public forum was abruptly canceled because utility companies wanted to develop their own policies in private with the PSC avoiding full transparency.
5. Utility companies have been hesitant to embrace widespread solar use because of the potential loss of revenue. They say increased use of solar could raise costs for their non-solar customers. However, this has not been true in other states where alternative green energy production has been growing.
6. We need to encourage our PSC to reschedule this open public forum to discuss the need for less restrictive net metering rules. This forum should be rescheduled as soon as possible

# How state utilities and the legislature continue to thwart solar power proponents

For years, sun-soaked South Carolina has been one of the worst states in the nation when it comes to harnessing the power of solar energy.

Unlike North Carolina, our state doesn't require utility companies to use renewable energy including power generated from the sun. Unlike Georgia, our state's regulatory commission hasn't required power companies to make solar programs available to customers. Instead, South Carolina has gone all-in on nuclear power, with public utility Santee Cooper partnering with private South Carolina Electric & Gas to build two as-yet unfinished reactors in rural Fairfield County. Less than 1 percent of the energy produced in the state comes from the sun; 51 percent is generated from nuclear power, and coal and natural gas make up most of the rest.

In the meantime, regulatory and legislative policies favor large utilities and make it difficult for independent businesses to invest in solar technology in South Carolina. Those utilities, which have given millions in campaign contributions over the years, appear to have a sympathetic ear among lawmakers and regulators. Conservationists, concerned citizens, and pro-solar businesses like the Charleston-area InterTech Group, which is owned by South Carolina's only billionaire, Anita Zucker, have fought for more opportunities for sun power here. They've packed public hearings at the State House in Columbia, unsuccessfully lobbied lawmakers, and held retreats and panel discussions with officials from electric cooperatives, utilities and other stakeholders. Those on the solar side have been gloomy.

Clearly, the Palmetto State has been slow to embrace the technology in ways other states have. It's not nonexistent — SCE&G has a large solar array on the roof of the Boeing building in North Charleston, Duke has solar customers such as BMW, and Santee Cooper is moving forward with a solar field — but as far as a concerted effort on any real substantive approach for a solar future, South Carolina has been, pardon the metaphor, mostly cloudy.

But some solar enthusiasts think those clouds might be clearing. Recently, Santee Cooper announced a partnership with the state's electric cooperatives to build a massive solar farm in Walterboro, the largest proposed solar installation in the state. Rows of sleek, glassy sun panels will soak up 3,000 kilowatts of electricity that will go back onto the grid. In terms of all the power generated in the state, that's a small fraction. But the project is designed to help Santee Cooper and its partners learn more about transferring sun power to consumers.

Meanwhile, the SC Energy Advisory Council (EAC) is expected to drop a landmark study on South Carolina's solar issues in the coming months. Pro-solar sources have provided documents to the EAC, and so have utilities.

Andrew Streit, a board member of the South Carolina Solar Business Alliance and the director of project management for the Mt. Pleasant-based SolBright Renewable Energy company, thinks the future is looking bright. "Even though it has been a hard, tough slog, and we haven't seen the change that I was hoping for — we could have created a lot of jobs during the depths of the recession — it feels like utilities are getting more comfortable with the idea of solar energy and we're going to see a lot more of it, and maybe see open support for solar energy in 2014," he says.

## Blocked

But one could forgive those in solar circles for having a gloomy outlook. The latest legislative session, for instance, left much of the community feeling burned.

In South Carolina, if you want to install solar panels and sell the power back to a homeowner or a business you have to legally be deemed a utility and be regulated in the same manner as the big companies like SCE&G and Duke Power. But utility companies are regulated monopolies, given exclusive rights by state government to sell power in their respective territories. And they've fought businesses that have tried to move in and provide solar power. Last year, for instance, several nonprofits, schools, and churches thought they could save money on power bills with help from a Connecticut company that planned to

provide free solar panels using federal stimulus dollars. Those entities were left high and dry, and without solar power, after SCE&G filed a complaint that pushed the company away.

This year, pro-solar advocates had been championing a bill that would change the way utilities monopolize the marketplace by allowing for third-party leasing of solar panels. Solar companies could install the sun panels and lease them to customers who could save money on their power bills, they said. Each time the bill came up in special committees, lawmakers smothered it and the legislation never made it to the floor for a vote.

In February, ministers from across South Carolina spoke in favor of such legislation, which they said could lower power bills by making solar energy more affordable to install on churches, schools, nonprofits, and senior citizens' homes.

"But state legislators put the freeze on the solar energy plan, saying they were uncomfortable with how it might affect utilities and their customers," reported Sammy Fretwell, *The State* newspaper's environmental reporter in Columbia who has probably written more about solar issues than any journalist in the state. "Virtually everyone who testified at [the] hearing, including outspoken Columbia minister Wiley Cooper, said the bill would help homeowners, charities, and churches afford solar power systems that could cut energy costs. The only opponent was a representative of South Carolina's influential utilities: SCE&G, Duke Energy and Santee Cooper, as well as the state's electrical cooperatives."

In April, a parade of retirees, businesspeople, tax attorneys, concerned citizens and environmentalists spoke in favor of more opportunities for solar. Again, a representative for the electric cooperatives suggested that lawmakers not move on the bill. And again, lawmakers chose not to advance it, and it died before the session ended in June.

Sitting in a basement office at the Coastal Conservation League's downtown Charleston headquarters, Hamilton Davis, who directs energy issues for the influential group, lets out a sigh when recalling those days.

"It's frustrating when you have people representing churches and schools and investment groups and solar developers and fixed-income seniors and conservationists standing in the same room supporting a certain policy and you can't get traction on it because of opposition from, in this case, the utilities," he says.

The setbacks, however, didn't end once lawmakers fled Columbia back to their disparate districts for the summer recess. A public forum was supposed to be held to discuss solar issues this month. Actually, the Public Service Commission had scheduled the workshop to take place about two weeks ago. It never happened. Why? An attorney for the electric cooperatives sent a letter asking the public body not to hold the forum. It was too soon, they argued, to talk about solar because that big EAC study has yet to come out. The move understandably rankled those who favor sun power.

But Davis must be happy about news of the Santee Cooper solar farm in Colleton County, right?

"It's a good project," he says. "It's what we want to see the electric cooperatives doing."

## Solar basics

No matter how sunny South Carolina is, even if the utilities embraced solar power to the max it would never replace nuclear energy, coal, and natural gas. What solar energy can do, however, is save homeowners and businesses money on their power bills, proponents say. And it's a clean energy source that generates power, when the sun is shining, without belching black smoke or creating toxic waste.

Utility companies say they provide solar options through programs with their customers. SCE&G helped Boeing install the largest solar array of its kind in the Southeast on its North Charleston roof, which won it a sun power award. Santee Cooper offers low-interest solar loans, and Duke participates in a clean energy program. But for all of that, there's only a few hundred known people who get their electricity from solar energy systems in a state that has more than 4 million residents, Fretwell has reported.

Mike Couick, president of the Electric Cooperatives of South Carolina, says there isn't a dispute about whether or not the technology for solar power works. The problem, he says, is about getting it to the consumer in a cost-effective way. His not-for-profit group represents about 1.5 million people in South Carolina who own their cooperatives and buy power from the big utilities.

"If it's easier for them to get into solar, based upon it being cost-effective and based upon its user-consumer transaction, we're all about that," he says. "I personally, and the co-opts generally, are agnostic as it relates to where our generation comes from. We don't own any generation. We buy electricity from other generators of electricity."

Right now there are a lot of steps between a solar provider wanting to sell sun power, installing panels on the roof or yard of a house, and then interlinking that power with the electrical grid, he says.

Whether the people he represents choose to get into solar energy at their own residence or business, Couick wants to make sure there's a quality product that someone's willing to stand behind. "And that could be a third party," he says.

Couick's group is partnering with Santee Cooper on the big Walterboro solar farm. (There's also a private sector business involved that hasn't been announced yet.)

In a Sept. 13 editorial in *The Herald* out of Rock Hill, S.C., Couick defended the cooperatives' stance on solar. He had to keep quiet about plans for the solar farm while the details were being hammered out. It was particularly hard for him to do that while some groups perceived electric cooperatives "as working against solar energy instead of working in favor of its cost-effective deployment."

The difficulty South Carolina must overcome with solar, Couick said, is that it costs more than conventional generation, even with tax incentives. For him, the question isn't whether additional costs will be paid, but who will pay them. If they're paid with tax incentives, all citizens pay based upon their income. "If they are paid via rates (without changing rate structures), ratepayers pay according to the amount of electricity they use," he said.

The new solar field installation, he said, will help the electric cooperatives figure out how to ingrate solar power into the power system in a way that "maximizes the value to our members and prevents customers from reaching into each other's pockets."

The solar farm could be up and running by the end of this year.

"There were people who were pushing for the third-party sales of electricity that believed you could build that type of facility in 90 days," Couick says about the quick turnaround. "We're taking them at their word."

## Libertarians could mobilize on solar issues in 2014

Interestingly, libertarians and Tea Party activists in two Republican-dominated states have recently developed unusual partnerships with environmental groups to help fight big power companies over solar energy.

In Wisconsin, the Libertarian Party recently endorsed a plan pushed by environmentalists to allow customers to lease solar panels. It comes after a Tea Party group in Atlanta hooked up with a local Sierra Club chapter to take on a powerful utility company and make it expand its use of solar power.

While advocates trying to advance sun power issues in South Carolina have ranged from ministers to environmental groups and large individual companies, so far the state's liberty movement has stayed in the shade. But that could change in 2014 as more members become educated about the issue.

"They are supportive but haven't gotten motivated to tackle this issue," says Davis of the Coastal Conservation League. "That could change in 2014."

Cory Norris, who leads the Lexington Tea Party, says he doesn't think solar issues have been intentionally ignored by the limited-government movement.

"I just think it hasn't been on the radar," he says.

The chairman of the South Carolina Libertarian Party, Victor Kocher, doesn't like the monopolistic nature of the state's utilities and thinks everyone should "get off the grid if they can." But he hasn't closely followed the debate over solar power, he says.

Talbert Black, who runs the Palmetto Liberty political action committee and champions limited-government causes at the State House, says he's read news reports about solar energy's high hurdle in the state and agrees with sun power proponents that it's a problem.

"I think most folks with libertarian leanings would agree as well," he says. But a sticking point for Black and others has been the prospect of government incentives. Because installing a solar panel on the roof of a house or business is expensive, third-party companies could afford to help pay for installation, lease the panels to the home or business owner, and sell back the electricity they generated by collecting federal tax incentives and deductions for investment in solar power.

And that's not palatable for people like Black.

"Fighting to take government protectionism from one group, the utilities, and turn it into incentives for another group, third party financiers, is not something I'd be willing to fight for," he says.

Daniel Encarnacion, chairman of the Lowcountry Republican Liberty Caucus, says solar hasn't really been a big issue for the folks in his circle around here, either. But he could see them backing it if it stayed away from subsidies for either alternative energy or legacy utilities.

Utility companies, it should be noted, are lavished with government incentives, and those who invest in nuclear energy receive some of the biggest handouts. There are about a half dozen government incentives for it, not to mention the mother of all utility-favoring legislation in South Carolina called the Base Load Review Act. That law allows a private company building new nuclear reactors to pass on the construction costs to those who pay the power bills rather than the stockholders invested in the company. Ratepayers have since seen their power bills jacked up six times in the past four years because of the nuclear site in Fairfield County. Just last week regulators approved the latest, a 3 percent hike for SGE&G that goes into affect Oct. 30. So if you see eye-rolls from South Carolina solar boosters when opponents complain about incentives and subsidies, it might not be surprising.

## Attitude adjustment

If anything, the Santee Cooper solar farm in Walterboro illustrates how solar energy is becoming a mainstream technology, says Grant Reeves, senior vice president for InterTech, a large Lowcountry company that makes specialty chemicals, precision aircraft parts and high-tech fibers.

Reeves was an outspoken supporter of solar energy throughout the legislative session and spoke multiple times to lawmakers in hearings about it.

"Essentially, South Carolina is really behind other states in our region in terms of installing solar panel generation," Reeves said during one of them. "South Carolina is a sunshine state, and I believe we should be a part of solar energy's growth."

Solar panels can be expensive to install on houses and businesses, but third-party companies like InterTech can collect federal tax incentives and deductions for investment in solar power and lease the panels to users. Solar leasing would expand the market for installations by waiving upfront costs that might deter people willing to use them, he said. InterTech, owned by Anita Zucker, wants to invest in solar in the Palmetto State.

"This is a growing industry and South Carolina needs to participate in this industry," Reeves told lawmakers.

Since the last legislative session, Reeves says utilities seem to have opened up to the idea, and Santee Cooper's solar field is evidence of that.

Paul Fleury, who runs Sustainable Energy Solutions, a Charleston-based solar integrator that does residential and commercial installations, says for change to happen, it will be up to the public more than anything.

"We can shout all day long at the representatives to do what will make our business better," he says, "but essentially it's up to the average Joe to go out and call his senators ... and ask them to support this kind of stuff."

For his part, Andrew Streit praises officials at SCE&G, Duke, and Santee Cooper for signaling that next year might not be as dim as the last for people who hope for a bright future for solar energy in the state.

"My initial excitement has been worn out, but in the last couple of months I believe we have seen a catalyst that may change the overall marketplace for solar," he says.

Hamilton Davis admits that the public has definitely seen a recent attitude adjustment from the utilities in regard to solar issues. He attributes that to how popular solar leasing has become and to media scrutiny and exposure.

"I think they are hearing from their customers also," he says. "I think people aren't very happy with the rate increases they're seeing and they want options to mitigate that and address that, and solar is one of those options."